WCB Saskatchewan Workers Compensation Board

Annual Report 2004

Saskatchewan Workers' Compensation Board Superannuation Plan

Saskatchewan Centennial 2005

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Saskatchewan Workers Compensation Board

Her Honour, The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Madam:

Letter of Transmittal

I have the honour to submit herewith the Annual Report of the Workers' Compensation Board Superannuation Plan for the year ending December 31, 2004.

I have the honour to be, Madam,

Your obedient servant,

Deb Higgins

Deb Higgins
Minister Responsible for
The Workers' Compensation Board Superannuation Plan

Saskatchewan Workers Compensation Board

The Honourable Deb Higgins
Minister Responsible for
The Workers' Compensation Board Superannuation Plan
Regina, Saskatchewan

Madam:

Letter of Transmittal

I have the honour to submit the Annual Report of the Workers' Compensation Board Superannuation Plan for the period January 1, 2004 to December 31, 2004, in accordance with Section 55, R.S.S. 1978 of The Workers' Compensation Board Superannuation Act as amended by The Superannuation (Supplementary Provisions) Act.

Respectfully submitted,

Walter Eberle
Chairman
The Workers' Compensation Board Superannuation Plan

Workers' Compensation Board Superannuation Plan

Introduction

The primary purpose of the Plan is to provide pension benefits to employees in the event of retirement and secondarily in the event of termination of employment. The plan also provides benefits to the dependents of deceased employees and superannuates in the event of death either prior, or subsequent, to retirement.

The Board, appointed by the Lieutenant Governor in Council, which consists of three members, is responsible for the administration of *The Workers' Compensation Board Superannuation Act*.

Workers' Compensation Superannuation Board

Walter Eberle	Chairman
Donald Kennedy	Member
Kenneth J. Chernick	Member

The term of this Board expired December 31, 2004. Effective January 1, 2005, the plan is registered under *The Pension Benefits Act, 1992*. The plan will be renamed, the Pension Plan for Employees of the Saskatchewan Workers' Compensation Board. No significant changes to the terms or funding of the plan have resulted. The Workers' Compensation Board becomes the Administrator of the Plan at that date.

Operation of the Plan

This plan is a Defined Benefit pension plan, which provide a benefit based on an employee's highest earnings during specified periods taking into consideration their total years of service to a maximum of 35 years. Currently employees who are contributing to the plan make contributions at a rate of 7%, 8% or 9%, depending on their age when they entered the plan. This contribution is offset by an amount equal to 1.8% of their pensionable earnings between the Year's Basic Exemption and Year's Maximum Pensionable Earnings as defined on an annual basis by the Canada Pension Plan.

Any deficiencies in the Plan are paid out of the revenues of the Workers' Compensation Board and are a charge thereon.

The following table below shows the number of active and retired employees in the plan as of the current and prior year-ends:

	December 31, 2004	December 31, 2003
Active Employees	44	44
Inactive Members	2	2
Retired Employees *	50	52
Totals	**96**	**98**

*Includes Superannuates, plus their dependents that are now in receipt of a survivor pension

Benefit Payments

During the plan year, benefit payments are made in accordance with the Plan rules due to retirement of employees, termination of employment and death benefits – either due to death of an employee or a superannuate.

The attached tables show all the individuals who retired during the year, split into various categories as to type of retirement.

Contributions to the Plan

In accordance with the contribution schedules outlined above, employee contributions to the plan during the year totaled $134,006. This compares to $136,724 for the previous fiscal year.

Retirement Summary

	December 31, 2004	December 31, 2003
Attained Age 65	-	-
Attained Age 60 – no reduction	-	-
Attained 35 years of Service	-	1
Age 55 and 30 years service – reduced pension	-	-
Ill Health Pensions	-	-
Deferred Allowances now Payable	-	-
Early Retirement Allowances	-	-
Totals	-	1

Death Benefit Summary

	December 31, 2004	December 31, 2003
Employee Survivor Pension	-	-
Superannuate Survivor Pension	-	-
Totals	-	-

Termination of Employment Summary

	December 31, 2004	December 31, 2003
Deferred Pension	-	-
Cash Refund	-	-
Reciprocal Transfer	-	-
Totals	-	-

Detailed listings of all transactions are included at the end of this report.

Investment Performance

The Workers' Compensation Superannuation Board of Trustees (Board) is responsible for holding in trust and investing the monies in the Plan. The Board has retained Greystone Capital Management Inc. to be the investment manager.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long-term investment performances set out by the Board in their Investment Policy Statement for the Workers' Compensation Board Superannuation Fund (Fund). It is against these long-term investment performance objectives that the Board assesses the performance of the investment manager.

The Fund's long-term investment performance objective is to outperform a benchmark portfolio constructed as follows:

Asset Class	Market Index	Weight
Canadian	S&P/TSX Composite CPMS CAP 10 Index	25%
US	S&P 500 US Stock Index	12.5%
Non-North American	MSCI EAFE Index	12.5%
Fixed Income Bonds	SCM Universe Bond Index	45%
Short-Term Investments	91 Day Canadian Treasury Bill	5%
Total		**100%**

The objective of the Fund is to achieve a return that is equal to or greater than the return achieved from this benchmark portfolio over a rolling four-year period. The performance history of the Fund as of December 31, 2004 has been:

	1-Year Return	Rolling 4 Year Average
Fund's Return	10.2%	4.5%
Benchmark Return	8.8%	3.3%

Administration

The Public Employees Benefits Agency (PEBA) has responsibility for the operation, administration and management of several superannuation plans and other employee benefits programs. Administration of the Workers' Compensation Superannuation Plan is carried out in conjunction with similar plans administered by PEBA.

Changes to administrative processes will continue to be evaluated with the intent of identifying opportunities for improving customer service and becoming more responsive to the needs of the Board and the membership.

TABLE 1

Employees Retired Having Attained the Age of Retirement - Age 65

Name	Position	Last Monthly Salary	Age
NONE			

TABLE 2

Employees Retired at Their Option After Age 60 – No Reduction

Name	Position	Last Monthly Salary	Age
NONE			

TABLE 3

Employees Retired at Their Option With 35 Years Service

Name	Position	Last Monthly Salary	Age
NONE			

TABLE 4

Employees Retired After Age 55 with Minimum 30 Years Service – Reduced

Name	Position	Last Monthly Salary	Age
NONE			

MANAGEMENT'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance. Management is responsible for financial administration, administration of the funds and managing of assets.

The financial statements, which follow, have been prepared by management in conformity with Canadian generally accepted accounting principles. Management uses internal controls and exercises its best judgment in order that the financial statements reflect fairly the financial position of the Plan.

The present value of annuities is determined by an actuarial valuation. Actuarial valuation reports require best estimate assumptions about future events which require approval by management.

The financial statements have been audited by Deloitte & Touche LLP, Chartered Accountants, whose report follows.

Brian Smith
Executive Director
Public Employees Benefits Agency

A. Mackrill

Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency

K Morgan

Kathy Morgan
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
February 16, 2005

ACTUARIES' OPINION

The Segal Company Ltd. was retained by the Saskatchewan Workers' Compensation Board (the Board) to perform actuarial valuations of the assets and liabilities of the Workers' Compensation Board Superannuation Plan (the Plan) on an accounting basis using the most recent actuarial valuation as at December 31, 2002 and performing an extrapolation to December 31, 2004, for inclusion in the Annual Report with respect to the Plan for the year ended December 31, 2004.

The valuation of the Plan's actuarial assets and liabilities were based on:

- Membership data provided by the Board as at December 31, 2002;
- Asset data provided by the Board as at December 31, 2004;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) that were developed by management and The Segal Company Ltd. and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data is sufficient and reliable for the purposes of the valuation. We also believe that the methods employed in the valuation and the assumptions used are, in aggregate, appropriate. Our opinions have been given and our valuation has been performed in accordance with accepted actuarial practice.

Phil Rivard, FSA, FCIA
The Segal Company Ltd.

February 16, 2005

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan

We have audited the statement of net assets available for benefits, accrued pension benefits and surplus of the Workers' Compensation Board Superannuation Plan as at December 31, 2004 and the statements of changes in net assets available for benefits and changes in accrued pension benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets available for benefits, accrued pension benefits and surplus of the Workers' Compensation Board Superannuation Plan as at December 31, 2004 and the changes in net assets available for benefits and changes in accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.

Chartered Accountants

Regina, Saskatchewan
February 16, 2005

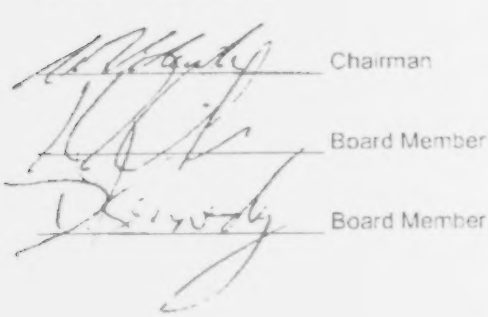
WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN — STATEMENT 1
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, ACCRUED PENSION BENEFITS AND SURPLUS

As at December 31

	2004	2003
ASSETS		
Investments (Note 3)		
Short-term investments	$ 902,975	$ 915,096
Bonds and debentures	14,245,626	13,449,513
Equities	9,671,408	9,164,023
Pooled funds	7,712,612	6,921,411
	32,532,621	30,450,043
Receivables		
Accrued investment income	112,702	125,870
Other	490	522
	113,192	126,392
Due from General Revenue Fund (Note 4)	102,691	102,991
Cash	22,953	15,772
Total assets	32,771,457	30,695,198
LIABILITIES		
Administration expenses payable	14,449	18,819
Total liabilities	14,449	18,819
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	32,757,008	30,676,379
Accrued pension benefits (Statement 3)	26,720,000	25,162,118
Surplus	$ 6,037,008	$ 5,514,261

(See accompanying notes to the financial statements)

On behalf of the Board:



Chairman

Board Member

Board Member

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN — STATEMENT 2
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

As at December 31

	2004	2003
INCREASE IN ASSETS		
Investment income		
Interest	$ 664,150	$ 714,674
Dividends – equities	147,594	154,346
Dividends – pooled funds	139,942	102,035
Other	1,834	1,481
	953,520	972,536
Increase in market values of investments	2,121,860	2,283,620
Contributions		
Employee	134,006	136,724
Total increase in assets	3,209,386	3,392,880
DECREASE IN ASSETS		
Administration expenses (Note 9)	105,020	131,122
Superannuation allowances	1,023,737	1,050,882
Total decrease in assets	1,128,757	1,182,004
Increase in net assets available for benefits	2,080,629	2,210,876
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	30,676,379	28,465,503
NET ASSETS AVAILABLE FOR BENEFITS, end of year (Statement 1)	$32,757,008	$30,676,379

(See accompanying notes to the financial statements)

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
STATEMENT OF CHANGES IN ACCRUED PENSION BENEFITS

STATEMENT 3

As at December 31

	2004	2003
ACCRUED PENSION BENEFITS, beginning of year	$25,162,000	$24,262,000
INCREASE IN ACCRUED PENSION BENEFITS		
Interest accrued on benefits	1,568,000	1,511,000
Benefits accrued	431,000	440,000
Change in discount rate assumption	583,000	-
	2,582,000	1,951,000
DECREASE IN ACCRUED PENSION BENEFITS		
Benefits paid	1,024,000	1,050,882
ACCRUED PENSION BENEFITS, end of year (Statement 1)	$26,720,000	$25,162,118

(See accompanying notes to the financial statements)

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2004

1. Description of the Plan

a) **General**

The Workers' Compensation Board Superannuation Plan (the Plan) is a defined benefit final average pension plan established under *The Workers' Compensation Board Superannuation Act*. Membership is comprised of employees and board members who were enrolled on October 1, 1977 and who did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

b) **Administration**

The Workers' Compensation Superannuation Board administers the Plan. Day-to-day administration is provided by the Public Employees Benefits Agency.

c) **Superannuation Plan**

The Plan was established to accumulate contributions paid by employees and the employer, as well as any investment income.

Superannuation allowances and refunds of contributions together with interest are paid out of the Plan.

d) **Funding Policy**

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of the commencement with the Plan.

The contributions required to be paid by the employer are calculated by applying a predetermined rate to the members' contributions.

e) **Retirement**

Normal retirement is at age 65. Members who retire may receive benefit payments earlier under the following conditions:

- at any age after 35 years of service,
- at age 60 with at least 20 years of service,
- at age 60 with between 15 years and 20 years of service with a reduced pension,
- at age 55 with at least 30 years of service with a reduced pension.

f) **Pension**

The lifetime annual pension payable to a member is 1.3% of the average salary received by the member during the five years of highest salary, multiplied by the total number of years of service. The maximum number of years of service is 35 years.

In addition, member's who retire prior to age 65 are entitled to receive a bridge to age 65 equal to 0.7% of the member's average salary up to the average pensionable earnings prescribed by

the Canada Pension Plan in the last 5 years before retirement, multiplied by the number of years of service of the member since January 1, 1966 to a maximum of 35 years.

g) **Income Taxes**

The Plan is a registered pension plan as defined in *The Income Tax Act* and is not subject to income taxes. Superannuation allowances paid from the Plan are subject to source income tax deductions that are deducted by Royal Trust and remitted to Canada Revenue Agency.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

Investments

i) Investments in bonds and equities are recorded at market values which are determined by reference to closing year end sale prices from recognized security dealers or, in the absence of recorded sales, by reference to closing year end bid and ask prices. Monetary items denominated in foreign currency are translated at the exchange rate in effect at the year-end.

ii) Pooled funds are valued based on the net asset value per unit of the underlying assets on the last valuation date.

iii) Short-term investments are recorded at market value.

Change in Market Value of Investments

i) The change in market value reflects the current year's realized and unrealized gains and losses on investments.

Investment Transactions and Income

i) Investment transactions are recorded on the trade date. Transactions conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Dividend income is recognized on the record date. Interest income is recorded as earned.

3. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to meet future pension obligations and to generate sufficient cash flow to meet superannuation payments. Due to the long-term horizon of the Plan's liabilities, the Plan takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions, maturing debentures, and investment returns into assets such as Canadian equities, pooled funds, money market securities, and bonds.

a) **Interest Rate Risk**

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. Interest rate risk is managed by investing in fixed income investments with varying duration.

The value of the Plan's assets is affected by short-term changes in nominal interest rates and equity markets.

b) **Credit Risk**

Credit risk arises from the potential for an investee to fail or for an issuer to default on its contractual obligations to the Plan. The Plan limits the credit risk by dealing with issuers that are considered to be high quality. The credit ratings used to describe the securities below are based on the Dominion Bond Rating Service and/or Standard and Poor's Ratings Service.

c) **Market Risk**

The Plan invests in publicly traded equities and bonds. These securities are affected by market changes and fluctuations. The Plan manages market risk by investing in a well-diversified portfolio of asset classes.

d) **Foreign Currency Risk**

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian dollar. Fluctuations in the relative value of the Canadian dollar against these foreign currencies result in a positive or negative effect on the fair value of investments. The Plan manages this risk by restricting the foreign holdings to the limits of the *Income Tax Act*. No more than 15% of the market value of the bond portfolio shall be invested in bonds denominated in currencies other than Canadian dollars.

Short-Term Investments

Short-term investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 2.3% to 2.7% (2003 – 2.6% to 2.8%) and an average remaining term to maturity of 55 (2003 - 91) days. The Plan's investment policy states that investments must meet a minimum investment standard of "R-1" rating, as rated by a recognized credit rating service. Other than the Government of Canada no single issuer represents more than 28.0% of the market value (2003 – 14.4%) of the short-term investment portfolio.

Bonds

The Plan's investment policy states that bonds must meet a minimum quality standard of BBB as rated by a recognized credit rating service. No more than 15% of the bond portfolio may be invested in BBB rated bonds. As at December 31, 2004, the Plan held 1.01% (2003 – 3.9%) of its portfolio in BBB bonds.

	2004					
Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$4,042,731	$ 339,598	$1,139,889	$ 5,522,218	3.0-7.9%	3.0-9.0%
5 – 10	2,153,554	1,686,880	783,153	4,623,587	3.8-6.1%	3.8-6.8%
Over 10	1,746,606	1,222,965	1,130,250	4,099,821	4.9-6.4%	4.9-8.3%
Market Value	$7,942,891	$3,249,443	$3,053,292	$14,245,626		

	2003					
Years to Maturity	Federal	Provincial	Corporate	Total Market Value	Yield to Maturity at Market	Coupon Rate
Under 5	$3,313,202	$ 306,204	$1,316,789	$ 4,936,195	2.8-8.1%	3.0-9.0%
5 – 10	1,976,289	1,807,754	534,059	4,318,102	4.5-7.5%	4.5-10.0%
Over 10	2,111,848	1,194,706	888,662	4,195,216	4.9-6.4%	5.2-7.6%
Market Value	$7,401,339	$3,308,664	$2,739,510	$13,449,513		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Canadian Equities

The Plan's equity investments are held as portfolio investments and are generally readily marketable. Investments are generally limited to stocks that are publicly traded on a recognized securities market. The Plan's equities include common shares that have no fixed maturity dates and are generally not directly exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate is 1.57% (2003 – 1.89%).

The Plan's investment policy allows any single holding to represent no more than 10% of the market value of the related portfolio and any single holding to represent no more than 10% of the common stock in any corporation.

Pooled Funds

The Plan limits its investments in pooled equity funds to 10% of the market value of each fund. Foreign equities including foreign pooled funds are limited to 30% of the cost of the investment portfolio and are denominated in Canadian dollars. The Plan owns units in pooled equity funds which have no fixed interest rate and whose return is based on the success of the fund manager.

The Plan's pooled funds are managed by Greystone Managed Investments Inc. and are comprised of the following:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2004	**2003**	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**
	(000's)				(000's)		(000's)	
Greystone EAFE Plus Fund	414	405	0.37	0.31	$3,788	$3,589	$199	$419
Greystone US Equity Fund	361	331	8.80	7.44	3,925	3,333	334	214
					$7,713	$6,922	$533	$633

4. Due from General Revenue Fund

The Plan's bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

The Plan's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis into the Plan's bank account using the Government's thirty day borrowing rate and the Plan's average daily bank account balance. The Government's average 30-day borrowing rate in 2004 was 2.20% (2003 – 2.87%).

5. Employer Contributions

The Workers' Compensation Board was required to take a holiday on employer contributions as the Plan has an excess actuarial surplus. This is required by Section 147.2 (2) of *The Income Tax Act*.

6. Obligations for Pension Benefits

The accrued benefit obligation is determined using the projected benefit method pro-rated on service and management's best estimate assumptions approved by the Workers' Compensation Superannuation Board of expected plan investment performance, discount rate, salary escalation and retirement ages of employees. The most recent actuarial valuation was prepared as at December 31, 2002 and extrapolated to December 31, 2003 by William M. Mercer Limited and extrapolated to December 31, 2004 by The Segal Company, Ltd.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2004	2003
Discount rate	6.00%	6.25%
Expected long-term rate of return on plan assets	6.00%	6.25%
Salary escalation rate	4.50%	4.50%
Inflation rate	3.00%	3.00%

The accrued benefit obligation at December 31, 2004 is $26,720,000 (2003 - $25,162,118). It is based on a number of assumptions about future events including: discount rate, expected long-term rate of return on plan assets, rate of salary increase, mortality, retirement rates and inflation. The actual rates may vary significantly from the long-term assumptions used.

The accrued benefit obligation contains a provision for ad hoc increases as they are subject to approval by Order-in-Council. The ad hoc assumption is 50% of CPI based on previous year's experience. The Lieutenant Governor in Council may provide for supplementary allowances to be paid to superannuates in any year, in any amount and subject to any terms and conditions she considers advisable.

The following illustrates the effect of changing certain assumptions from assumed rates of: inflation 3.00%, salary 4.50%, discount rate 6.00% and post retirement indexing 1.5%.

	Long Term Assumptions							
	Inflation*		Salary		Discount Rate		Post Retirement Indexing	
	+ 1.0%	- 1.0%	+ 1.0%	- 1.0%	+ 1.0%	- 1.0%	+ 0.5%	- 0.5%
(Decrease) increase in liability	(5.4%)	6.0%	3.5%	(3.2%)	(11.2%)	15.6%	2.9%	(2.8%)

* A change in the inflation rate of 1% has a corresponding change in the discount rate of 1%, in the salary scale of 1% and in the post retirement indexing of 0.5%.

If there are insufficient moneys in the Plan to pay pension benefits, the Workers' Compensation Board is obligated to pay any such deficiency to the Plan.

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common influence by the Government of Saskatchewan.

Certain administration expenses are paid by the Plan to the Public Employees Benefits Agency Revolving Fund based upon agreed exchange amounts. The amount is identified in Note 9.

8. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Board. The Board reviews the investment performance of the plan in terms of the performance of the benchmark portfolio over 4 year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance:

	2004	Rolling Four Year Average Annual Return
Plan's actual rate of return (a)	10.2%	4.5%
Target rate of return (b)	8.8%	3.3%

(a) The annual returns are before deducting investment expenses.

(b) The Plan's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock Exchange 300 capped 10% Index, Morgan Stanley Capital International Europe Australia Far East Index and the Scotia Capital Markets Universe Bond Index.

9. Administration Expenses

	2004		2003
	Budget	Actual	Actual
Administration - PEBA Revolving Fund	$49,374	$ 32,012	$ 62,620
Custodian fees - Royal Trust	-	27,250	26,855
Investment management fees - Greystone	-	45,758	41,647
	$49,374	$105,020	$131,122

10. Fair Value of Financial Assets and Financial Liabilities

The pension liability is long term in nature and there is no market for settling these pension obligations. Therefore, determination of the fair value of the pension liability is not practical (Note 6).

The following method and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

Fair values of investments are considered to be market values (Note 3).

For the following financial instruments the carrying amounts approximate fair value due to the immediate or short-term nature of these financial assets and financial liabilities.

a) other receivables
b) due from General Revenue Fund

11. Subsequent Events

Effective January 1, 2005, the plan is registered under *The Pension Benefits Act, 1992*. The plan will be renamed, the Pension Plan for Employees of the Saskatchewan Workers' Compensation Board. No significant changes to the terms or funding of the plan have resulted.

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENTS (Unaudited)

EXHIBIT 1

DECEMBER 31, 2004

Security	Par Value	Market Value
Bonds and Debentures		
Government of Canada	$ 7,641,000	$ 7,942,891
Alberta Capital Finance Authority	129,000	134,330
Ontrea Inc	110,000	118,272
Province of British Columbia	448,000	486,534
Province of Manitoba	203,000	213,481
Province of New Brunswick	100,000	109,815
Province of Newfoundland	67,000	69,767
Province of Nova Scotia	120,000	134,149
Province of Ontario	815,000	888,340
Province of Quebec	614,000	666,491
Quebec Finance Corporation	151,000	163,953
Province of Saskatchewan	170,000	193,290
55 School Board Trust	66,000	71,020
Aeroports De Montreal	51,000	55,745
Alliance Pipeline LP	75,511	88,388
Bank of Montreal	63,000	64,472
BC Ferry Services Inc	101,000	107,053
BCE Incorporated	52,000	56,143
BMO Capital Trust	60,000	61,997
Borealis Infrastructure Trust	112,000	122,824
Canadian Tire Corp	32,000	32,703
Cards II Trust	52,000	53,031
CDP Financial	54,000	55,127
Citigroup Finance Canada Inc	34,000	34,715
Column Canada Issuer Corporation	47,000	50,278
Falcon Trust Comm Mortgage	46,000	46,883
Fortisalberta Inc	44,000	45,818
GE Capital Canada Funding Company	60,000	62,893
Glacier Credit Card Trust	105,000	107,796
Gloucester Credit Card Trust	178,000	186,050
Golden Credit Card Trust	114,000	115,908
Greater Toronto Airports Authority	109,000	115,513
Household Finance Corp Ltd	23,000	23,267
Hydro One Inc	110,000	114,243
Investors Group Inc	93,000	104,120
Loblaw Companies Limited	66,000	67,262
Manitoba Telecom Services	60,000	61,579
Merrill Lynch Canada Finance Company	60,000	61,894
Merrill Lynch Financial Assets	144,000	154,991
Merrill Lynch Mtge Loans Inc	65,000	72,650
N-45 Degrees 1st CMBS ISS Corp	39,000	40,883
National Bank of Canada	44,000	43,900
Royal Bank of Canada	206,000	215,651
Scotiabank Capital Trust	111,000	123,718
Toronto Dominion Bank	178,000	186,157
TransCanada Pipelines Ltd	58,000	74,572
Wells Fargo Financial Canada Corporation	50,000	51,742

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENTS (Unaudited) (continued)

DECEMBER 31, 2004

Security	Par Value	Market Value
York Receivables Trust	$ 105,000	$ 107,261
407 ETR International	76,000	86,066
	$13,511,511	$14,245,626
Canadian Equities		
Alcan Inc		209,916
ATI Technologies Inc		112,578
Bank of Montreal		335,008
Bank of Nova Scotia		651,200
Barrick Gold Corp		157,760
Cameco Corp		330,986
Canadian Imperial Bank of Commerce		386,286
Canadian National Railway		280,223
Canadian Natural Resources Ltd		322,567
CGI Group Inc		99,264
Cott Corporation		98,241
Dorel Industries Inc		41,743
Encana Corporation		366,282
Falconbridge Ltd		152,701
Finning International Inc		170,051
Forzani Group Limited		39,195
Loblaw Companies Ltd		207,418
MacDonald Dettwiler & Associates		79,027
Magna International Inc		200,097
Manulife Financial Corp		473,116
Masonite International Corporation		188,237
Meridian Gold Inc.		119,158
National Bank of Canada		190,558
Nortel Networks Corp		192,733
Open Text Corporation		86,519
Patheon Inc		11,556
Petro-Canada		147,726
Potash Corporation of Saskatchewan		315,210
Power Corp of Canada		499,720
Power Financial Corp		147,154
Precision Drilling Corporation		231,846
QLT Inc		76,920
Research in Motion		167,926
Rogers Communications Inc		162,545
Rona Inc		139,128
Royal Bank of Canada		339,883
Saputo Inc.		102,281
Shoppers Drug Mart Corporation		286,979
SNC-Lavalin Group Inc		267,960
Stratos Global Corp		47,608
Suncor Energy Inc		161,120

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENTS (Unaudited) (continued)

DECEMBER 31, 2004

Security	Par Value	Market Value
Talisman Energy Inc	$	$ 297,297
Teck Cominco Ltd		221,151
Telus Corporation		14,488
Telus Corporation (Non-voting)		162,931
TransCanada Corporation		187,740
Tundra Semiconductor Corp		27,588
West Fraser Timber Co Ltd		76,800
Westjet Airlines Ltd		86,987
		9,671,408
Pooled Funds		
Greystone EAFE Plus Fund		3,787,835
Greystone United States Equity Fund		3,924,777
		7,712,612
	$13,511,511	$31,629,646

Summary	Par Value	Market Value
Government of Canada & Guarantees	$ 7,641,000	$ 7,942,891
Provincials and Guarantees	2,993,000	3,249,442
Corporate Bonds	2,877,511	3,053,293
	13,511,511	14,245,626
Canadian Equities		9,671,408
Pooled Funds		7,712,612
Total Long Term Investments	13,511,511	31,629,646
Short Term Investments	907,000	902,975
	$14,418,511	$32,532,621

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT DISPOSITIONS (Unaudited)

EXHIBIT 2

YEAR ENDED DECEMBER 31, 2004

Security	Maturity Date	Interest Rate	Proceeds
Government of Canada	December 1, 2005	3.00%	$ 6,411,039
Government of Canada	June 1, 2006	3.00%	6,002,247
Government of Canada	September 1, 2006	5.75%	442,932
Government of Canada	September 1, 2008	4.25%	2,470,399
Government of Canada	September 1, 2009	4.25%	1,141,722
Government of Canada	June 1, 2013	5.25%	5,260,333
Government of Canada	June 1, 2014	5.00%	4,981,154
Government of Canada	June 1, 2033	5.75%	6,088,129
Canada Housing Trust	December 15, 2008	4.10%	1,153,534
Canada Housing Trust	September 15, 2009	4.65%	1,188,129
Canada Housing Trust	March 15, 2010	Floating	147,000
Ontrea Inc.	April 9, 2013	5.57%	123,257
Province of British Columbia	December 1, 2009	6.25%	157,643
Province of British Columbia	January 9, 2012	5.75%	179,948
Province of British Columbia	June 18, 2031	6.35%	132,473
Province of Manitoba	May 15, 2011	10.00%	65,260
Province of Manitoba	December 3, 2012	5.25%	182,072
Province of New Brunswick	April 19, 2005	8.75%	57,937
Province of New Brunswick	June 15, 2010	6.375%	107,232
Province of New Brunswick	December 6, 2012	5.875%	172,402
Province of New Brunswick	December 27, 2017	6.00%	107,686
Province of Newfoundland	October 17, 2030	6.55%	115,143
Province of Nova Scotia	March 15, 2006	5.50%	87,587
Province of Ontario	May 1, 2006	Floating	364,993
Province of Ontario	September 8, 2006	3.50%	87,305
Province of Ontario	November 19, 2010	6.10%	128,658
Province of Ontario	December 2, 2011	6.10%	249,336
Province of Ontario	December 2, 2012	5.375%	176,353
Province of Ontario	June 2, 2013	4.75%	125,934
Province of Ontario	March 8, 2014	5.00%	188,911
Province of Ontario	June 2, 2027	7.60%	77,346
Province of Ontario	March 8, 2029	6.50%	72,219
Province of Ontario	June 2, 2031	6.20%	127,499
Province of Quebec	December 1, 2005	6.50%	98,487
Province of Quebec	June 1, 2009	5.50%	145,210
Province of Quebec	December 1, 2010	6.25%	166,516
Province of Saskatchewan	June 2, 2008	5.50%	162,477
Province of Saskatchewan	December 3, 2012	5.25%	60,749
Quebec Finance Corporation	December 1, 2009	4.75%	71,775
Alliance Pipeline LP	June 30, 2023	7.181%	3,314
Bell Canada	March 16, 2035	6.10%	37,975
Canadian Imperial Bank of Commerce	April 1, 2004	Floating	40,000
Canadian Tire Corporation	June 9, 2008	5.70%	55,680
Canadian Tire Corporation	February 24, 2034	6.32%	28,440
Citigroup Finance Canada Inc	August 17, 2006	5.75%	49,893
Falcon Trust Comm Mortgage	January 15, 2011	5.15%	365
Genesis Trust	February 15, 2005	6.869%	85,646

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT DISPOSITIONS (Unaudited) (continued)

YEAR ENDED DECEMBER 31, 2004

Security	Maturity Date	Interest Rate	Proceeds
Greater Toronto Airports Authority	February 2, 2034	6.47%	$ 23,499
Hollis Receivables Term Trust	April 26, 2006	5.672%	93,265
Household Finance Corp Ltd	April 13, 2009	4.20%	44,725
Hydro One Inc	November 15, 2012	5.77%	48,542
Loblaw Companies Ltd	November 20, 2013	5.40%	41,719
RBC Capital Trust	December 31, 2053	5.812%	87,947
Royal Bank of Canada	June 1, 2014	Floating	22,961
Royal Bank of Canada	June 18, 2099	5.95%	48,207
Sun Life Assurance Company Canada	June 30, 2022	6.15%	99,619
Swift Trust	December 7, 2008	7.40%	85,505
TransCanada Pipelines Ltd	January 15, 2014	5.65%	66,963
Wells Fargo Financial Canada Corp	June 15, 2007	5.50%	54,028
407 ETR International	December 17, 2007	6.90%	43,949
Alcan Inc	Canadian Equity	-	11,472
Bank of Montreal	Canadian Equity	-	155,028
Bank of Nova Scotia	Canadian Equity	-	187,951
Barrick Gold Corp	Canadian Equity	-	121,554
Cameco Corp	Canadian Equity	-	170,083
Canadian Imperial Bank of Commerce	Canadian Equity	-	43,189
Canadian National Railway	Canadian Equity	-	87,721
Canadian Natural Resources Ltd	Canadian Equity	-	226,962
CGI Group Inc	Canadian Equity	-	8,687
Cott Corp	Canadian Equity	-	27,496
Decoma International Inc	Canadian Equity	-	27,951
Domtar Inc	Canadian Equity	-	92,038
Encana Corp	Canadian Equity	-	104,197
Falconbridge Ltd	Canadian Equity	-	24,058
Finning International Inc	Canadian Equity	-	100,853
Loblaw Companies Ltd	Canadian Equity	-	20,963
Magna International Inc	Canadian Equity	-	136,129
Manulife Financial Corp	Canadian Equity	-	45,073
Masonite International Group	Canadian Equity	-	93,765
Meridian Gold Inc	Canadian Equity	-	12,597
Molson Inc	Canadian Equity	-	166,488
National Bank of Canada	Canadian Equity	-	30,575
Nortel Networks Corp	Canadian Equity	-	8,400
Open Text Corp	Canadian Equity	-	16,003
Patheon Inc	Canadian Equity	-	39,206
Penn West Petroleum Ltd	Canadian Equity	-	302,986
Petro-Canada	Canadian Equity	-	281,492
Potash Corporation of Saskatchewan	Canadian Equity	-	62,415
Power Corp of Canada	Canadian Equity	-	120,895
Power Financial Corp	Canadian Equity	-	182,691
Precision Drilling Corporation	Canadian Equity	-	14,447
Research in Motion	Canadian Equity	-	68,615
Royal Bank of Canada	Canadian Equity	-	284,558
Saputo Inc	Canadian Equity	-	10,373
Shoppers Drug Mart Corporation	Canadian Equity	-	29,585

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT DISPOSITIONS (Unaudited) (continued)

YEAR ENDED DECEMBER 31, 2004

Security	Maturity Date	Interest Rate	Proceeds
SNC-Lavalin Group Inc	Canadian Equity	-	$ 31,298
Talisman Energy Inc	Canadian Equity	-	50,770
Teck Cominco Ltd	Canadian Equity	-	18,889
Telus Corporation	Canadian Equity	-	71,657
TransCanada Corporation	Canadian Equity	-	208,236
Westjet Airlines Ltd	Canadian Equity	-	7,338
			$43,845,952

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT PURCHASES (Unaudited)

EXHIBIT 3

YEAR ENDED DECEMBER 31, 2004

Security	Maturity Date	Interest Rate	Par Value	Cost
Government of Canada	December 1, 2005	3.00%	$ 6,024,000	$ 6,182,180
Government of Canada	June 1, 2006	3.00%	7,073,000	7,069,332
Government of Canada	December 1, 2006	3.25%	1,664,000	1,672,653
Government of Canada	September 1, 2008	4.25%	798,000	815,672
Government of Canada	September 1, 2009	4.25%	2,393,000	2,417,482
Government of Canada	June 1, 2013	5.25%	3,089,000	3,277,854
Government of Canada	June 1, 2014	5.00%	5,754,000	5,875,841
Government of Canada	June 1, 2033	5.75%	5,118,000	5,575,311
Canada Housing Trust	December 15, 2008	4.10%	167,000	170,724
Canada Housing Trust	September 15, 2009	4.65%	1,140,000	1,163,108
Canada Housing Trust	March 15, 2010	Floating	147,000	147,000
Canada Housing Trust	March 15, 2010	3.75%	1,201,000	1,199,261
Province of British Columbia	December 1, 2009	6.25%	145,000	160,487
Province of British Columbia	January 9, 2012	5.75%	188,000	202,678
Province of British Columbia	June 18, 2014	5.30%	99,000	100,605
Province of Manitoba	December 3, 2013	5.05%	122,000	123,258
Province of New Brunswick	June 15, 2010	6.375%	96,000	104,804
Province of New Brunswick	December 6, 2012	5.875%	257,000	281,365
Province of Newfoundland	October 17, 2035	5.70%	67,000	66,646
Province of Ontario	May 1, 2006	Floating	365,000	365,219
Province of Ontario	September 8, 2006	3.50%	87,000	88,131
Province of Ontario	December 1, 2008	5.70%	80,000	85,117
Province of Ontario	November 19, 2010	6.10%	140,000	153,097
Province of Ontario	December 2, 2011	6.10%	140,000	153,566
Province of Ontario	December 2, 2012	5.375%	169,000	176,437
Province of Ontario	June 2, 2013	4.75%	124,000	124,038
Province of Ontario	March 8, 2014	5.00%	252,000	256,984
Province of Ontario	June 2, 2018	5.50%	59,000	61,786
Province of Ontario	March 8, 2029	6.50%	117,000	132,084
Province of Ontario	March 8, 2033	5.85%	187,000	198,333
Province of Ontario	June 2, 2035	5.60%	75,000	77,003
Province of Quebec	December 1, 2005	6.50%	94,000	100,418
Province of Quebec	June 1, 2009	5.50%	67,000	70,994
Province of Quebec	December 1, 2010	6.25%	91,000	97,868
Province of Quebec	October 1, 2012	6.00%	70,000	75,954
Province of Quebec	October 1, 2013	5.25%	161,000	165,331
Province of Quebec	June 1, 2032	6.25%	68,000	75,840
Quebec Finance Corp	December 1, 2009	4.75%	137,000	138,379
Bank of Montreal	January 31, 2011	4.69%	63,000	62,986
BC Ferry Services Inc	May 27, 2014	5.74%	61,000	61,294
BC Ferry Services Inc	October 13, 2034	6.25%	40,000	40,031
BCE Inc	October 30, 2007	6.75%	5,000	5,463
BMO Capital Trust	December 31, 2049	5.474%	60,000	60,005
Bell Canada	March 16, 2035	6.10%	38,000	37,837
Borealis Infrastructure Trust	May 3, 2011	6.27%	15,000	16,140
Canadian Tire Corp	February 24, 2034	6.32%	60,000	59,814
Cards II Trust	October 15, 2009	4.379%	52,000	52,000

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT PURCHASES (Unaudited) (continued)

YEAR ENDED DECEMBER 31, 2004

Security	Maturity Date	Interest Rate	Par Value	Cost
CDP Financial	July 14, 2008	4.20%	$ 54,000	$ 53,984
Fortisalberta Inc	October 31, 2034	6.22%	44,000	43,987
GE Capital Canada Funding Company	July 24, 2007	5.30%	1,000	1,054
Glacier Credit Card Trust	November 20, 2008	4.444%	31,000	31,761
Gloucester Credit Card Trust	June 15, 2007	5.59%	11 000	11,694
Gloucester Credit Card Trust	May 15, 2008	4.716%	8,000	8,269
Golden Credit Card Trust	October 15, 2008	4.159%	36,000	36,353
Greater Toronto Airports Authority	December 3, 2007	5.95%	5,000	5,347
Greater Toronto Airports Authority	February 2, 2034	6.47%	66,000	65,991
Hollis Receivables Term Trust	April 26, 2006	5.672%	12,000	12,644
Household Finance Corp Ltd	April 13, 2009	4.20%	68,000	67,975
Hydro One Inc	June 23, 2008	4.00%	1,000	1,006
Hydro One Inc	November 15, 2012	5.77%	44,000	46,064
Investors Group Inc	May 9, 2011	6.75%	6,000	6,638
Loblaw Companies Ltd	June 9, 2034	6.05%	6,000	5,798
Manitoba Telecom Services	September 27, 2011	5.20%	60,000	59,969
Merrill Lynch Mtge Loans Inc	September 15, 2010	6.75%	9,000	9,820
National Bank of Canada	December 22, 2019	4.926%	44,000	44,000
Royal Bank of Canada	June 1, 2014	Floating	45,000	44,632
Royal Bank of Canada	November 4, 2018	Floating	48,000	48,890
Royal Bank of Canada	June 18, 2099	5.95%	77,000	78,243
Scotiabank Capital Trust	June 30, 2052	6.626%	25,000	27,285
Sun Life Assurance Company Canada	June 30, 2022	6.15%	5,000	5,304
Toronto Dominion Bank	September 5, 2013	4.54%	36,000	36,645
Toronto Dominion Bank	June 3, 2018	5.69%	8,000	8,269
TransCanada Pipelines Ltd	February 5, 2026	8.29%	58,000	73,008
Wells Fargo Financial Canada Corporation	June 15, 2007	5.50%	7,000	7,419
Wells Fargo Financial Canada Corporation	June 29, 2009	4.75%	50,000	50,247
York Receivables Trust	July 21, 2008	4.272%	34,000	34,644
Alcan Inc	Canadian Equity	-		233,097
ATI Technologies Inc	Canadian Equity	-		93,605
Canadian Imperial Bank of Commerce	Canadian Equity	-		380,000
Cott Corporation	Canadian Equity	-		28,654
Falconbridge Ltd	Canadian Equity	-		163,062
MacDonald Dettwiler & Associates	Canadian Equity	-		28,790
Nortel Networks Corp	Canadian Equity	-		462,446
Potash Corporation of Saskatchewan	Canadian Equity	-		11,726
Precision Drilling Corporation	Canadian Equity	-		213,208
QLT Inc	Canadian Equity	-		130,131
Research in Motion	Canadian Equity	-		153,629
Rogers Communications Inc	Canadian Equity	-		131,594
Rona Inc	Canadian Equity	-		74,660
Shoppers Drug Mart Corporation	Canadian Equity	-		74,496

WORKERS' COMPENSATION BOARD SUPERANNUATION PLAN
SCHEDULE OF INVESTMENT PURCHASES (Unaudited) (continued)

YEAR ENDED DECEMBER 31, 2004

Security	Maturity Date	Interest Rate	Par Value	Cost
Suncor Energy Inc	Canadian Equity	-	$	$ 159,054
Talisman Energy Inc	Canadian Equity	-		21,184
Teck Cominco Ltd	Canadian Equity	-		160,027
Telus Corporation	Canadian Equity	-		76,930
Telus Corporation (Non-voting)	Canadian Equity	-		149,174
Tundra Semiconductor Corp	Canadian Equity	-		44,344
West Fraser Timber Co Ltd	Canadian Equity	-		75,605
Westjet Airlines Ltd	Canadian Equity	-		30,084
Greystone EAFE Plus Fund	Pooled Fund	-		82,812
Greystone United States Equity Fund	Pooled Fund	-		315,130
			$39,318,000	$43,818,792